

Murray Budget Proposes \$1.5 Trillion Tax Hike

<i>Proposed Tax Increases in the Democrats' Budget</i>	<i>10-year total</i>	<i>Cite in budget document* and how implemented</i>
"Includes \$100 billion . . . paid for by eliminating loopholes"	\$100 billion	Top of page 8 "Infrastructure" Reserve Fund (deficit neutral: higher taxes for higher spending)
"This budget replaces sequestration using . . . \$480 billion in new revenue raised by closing loopholes"	\$480 billion	Middle of page 21 "Replace Sequester" Reserve Fund (deficit neutral: higher taxes for higher spending)
\$975B reconciliation instruction to Finance Cmte, less the extension of stimulus refundable tax credits	\$923 billion	Middle of page 66 Reconciliation Instruction
TOTAL TAXES IN BUDGET	\$1.503 trillion	

* "Restoring the Promise of American Opportunity", Chairman Patty Murray, March 13, 2013

Explanation:

The Senate Democrats' budget claims to increase taxes \$975B over the next ten years. They are actually hiding an additional \$500 billion in tax proposals buried in their 113 page budget document ("Restoring the Promise of American Opportunity").

First, at the top of page 8 they propose \$100 billion dollars for a "jobs and infrastructure" package that "is fully paid for by eliminating loopholes and cutting wasteful spending in the tax code . . . ". This provision is hidden in the resolution itself as a so-called infrastructure reserve fund (section 308 of the budget resolution).

Second, in the middle of page 21 they propose that "The budget replaces sequestration using the following equal mix of responsible spending cuts and new revenue" This includes "\$480 billion in new revenue raised by closing loopholes and ending wasteful deductions" This is implemented through a "sequestration replacement" reserve fund in section 403 of the resolution.

Finally, on page 66 the budget document says "The Senate Budget calls for deficit reduction of \$975 billion to be achieved by eliminating loopholes and cutting unfair and inefficient spending in the tax code" This is the amount of the tax hike the Chairman refers to and the

resolution directs the Finance Committee to produce legislation that provides this amount. [This \$975 billion includes funding to extend refundable tax credits originally adopted in the stimulus bill. Most of these tax credits are checks sent to individuals that do not owe income tax and, therefore, according to CBO, are outlays (spending). Subtracting the revenue associated with these tax credits from \$975 billion leaves a \$923 billion tax hike.]

Bottom Line: If the Chairman's budget replaces the sequester and provides for a new "jobs and infrastructure" package -- as it claims -- the budget necessarily increases taxes by \$1.5 trillion.